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ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

Thirteenth Annual Report

FOR THE YEAR ENDED 30th APRIL, 1968

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

BOARD OF DIRECTORS

FRANK H. BROWN

MICHAEL H. CRICHTON

J. IAN CROOKSTON

NORMAN F. W. H. D'ARCY

HON. GEORGE B. FOSTER, Q.C.

EDWARD D. FRASER

JOCELYN HAMBRO

WILLIAM F. JAMES, PH.D.

GEOFFREY OSMINT

SIR LEONARD PATON

HAVARD J. WILLIAMS

PHILIP C. WOOD

OFFICERS

WILLIAM F. JAMES *Chairman of the Board*

NORMAN F. W. H. D'ARCY *President*

WILLIAM A. CAMPBELL *Secretary*

J. BRIAN L. THOMAS *Treasurer*

MANAGERS

LOCANA SECURITIES LTD. Toronto

TRANSFER AGENTS AND REGISTRARS

COMMON SHARES:

NATIONAL TRUST COMPANY, LIMITED Montreal and Toronto

LOCANA CORPORATION (LONDON) LIMITED Transfer Agent — London, England

CANADIAN IMPERIAL BANK OF COMMERCE Registrar — London, England

PREFERRED SHARES:

NATIONAL TRUST COMPANY, LIMITED Montreal, Toronto and Vancouver

BANKERS

CANADIAN IMPERIAL BANK OF COMMERCE Toronto

HAMBROS BANK LIMITED London, England

SOLICITORS

FOSTER, WATT, LEGGAT, COLBY, RIOUX & MALCOLM Montreal

AUDITORS

CLARKSON, GORDON & Co. Toronto

CUSTODIAN

CANADIAN IMPERIAL BANK OF COMMERCE Toronto

OFFICES OF THE COMPANY

HEAD OFFICE: SUITE 3301-1155 DORCHESTER BLVD. WEST, MONTREAL

EXECUTIVE OFFICE: SUITE 1330-25 KING STREET WEST, TORONTO

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SUMMARY OF RESULTS FOR THE YEAR ENDED APRIL 30, 1968

(with comparative figures for the year ended April 30, 1967)

	1968	1967
Total net assets:		
Book value - - - - -	\$18,500,889	\$18,207,057
Market value - - - - -	\$20,349,925	\$20,559,033
Per common share - - - - -	\$16.53*	\$16.73*
Dividend income - - - - -	\$ 727,271	\$ 723,243
Interest income - - - - -	\$ 30,216	\$ 27,827
Profit on security trading - - - - -	\$ 24,836	\$ 6,574
Net earnings after taxes - - - - -	\$ 651,558	\$ 634,278
Per common share		
Earned - - - - -	\$0.476*	\$0.46*
Paid - - - - -	\$0.40	\$0.40
Net gain realized on investment portfolio changes - - - - -	\$ 211,595	\$ 723,876

*After giving effect to the interest of holders of the 5½% cumulative redeemable preferred shares.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

PORTFOLIO ANALYSIS AS AT APRIL 30, 1968

	<u>Number of Holdings</u>	<u>Approximate Market Value</u>	<u>% of Total Portfolio</u>
DEBENTURE STOCK - - - - -	3	\$ 70,100	.3%
PREFERRED SHARES - - - - -	7	1,092,500	5.4
		<u>\$ 1,162,600</u>	<u>5.7%</u>
COMMON SHARES			
1. Consumer Goods and Services			
(a) Breweries and Distilleries - - - - -	3	\$ 948,500	4.7%
(b) Food Processing, Packaging and Distribution	2	189,300	.9
(c) Public Utilities - - - - -	4	875,200	4.3
Total - - - - -		\$ 2,013,000	9.9%
2. Financial Institutions			
(a) Banks - - - - -	2	\$ 372,500	1.8%
(b) Other - - - - -	5	339,300	1.7
Total - - - - -		711,800	3.5
3. Manufacturing Industries			
(a) Construction and Development - - - - -	3	\$ 14,700	.1%
(b) Engineering - - - - -	1	62,000	.3
Total - - - - -		76,700	.4
4. Natural Resources			
(a) Mines and Metals - - - - -	12	\$12,986,400	63.8%
(b) Oil, Gas and Pipelines - - - - -	10	1,757,700	8.7
(c) Pulp and Paper - - - - -	2	1,022,600	5.0
Total - - - - -		15,766,700	77.5
5. Transportation - - - - -			
	2	980,800	4.8
TOTAL COMMON STOCKS - - - - -		<u>\$19,549,000</u>	<u>96.1%</u>
TOTAL INVESTMENTS - - - - -		<u>\$20,711,600</u>	<u>101.8%</u>
WORKING CAPITAL DEFICIENCY* - - - - -		361,675	1.8
TOTAL NET ASSETS - - - - -		<u><u>\$20,349,925</u></u>	<u><u>100.0%</u></u>

*Including trading securities at market value

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

TO THE SHAREHOLDERS:

I have pleasure in presenting the financial statements of your Company for the year ended April 30th, 1968.

At the year end the market value of the total net assets of your Company amounted to \$20,349,925 compared with their book value of \$18,500,889. Total net assets at April 30th, 1968, after deducting the preferred share capital, were equal to \$16.53 per share.

Your Company's income was well maintained during the year and amounted to \$782,323 compared with \$757,644 during the previous year. Most of this increase reflected profit on security trading in the subsidiary company, Anglo-Scandinavian Securities Ltd., which was set up for this purpose. After expenses and higher income taxes, net income for the year amounted to \$651,558 compared with \$634,278. The latest earnings were equivalent to 47.6¢ per common share, compared with 46¢ per share a year earlier, from which a dividend of 40¢ per share has been paid. Net gains realized on portfolio changes amounted to \$211,595 compared with \$723,876 the previous year.

A substantial proportion of the portfolio continues to be invested in mines and metals and, in particular, your Company's investment in McIntyre Porcupine Mines Limited represented 40.8% of the net assets by market value at the year end. The static performance of your fund on a year-to-year basis reflects to some extent the slightly lower market price of McIntyre Porcupine Mines Limited at April 30th, 1968, as compared with that on the valuation date a year earlier. Nevertheless, the corporate affairs of McIntyre Porcupine Mines Limited, and in particular those of the 36%-owned Falconbridge Nickel Mines Limited, have made good progress in this period and your Directors believe that this investment will prove ultimately to be of considerable value. You will notice that some holdings of U.S. securities, with a natural resource basis, were added during the year and it is your Directors' policy to continue in this way as opportunities arise.

WILLIAM F. JAMES
Chairman

July 9, 1968
Toronto, Ontario

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY
ANGLO-SCANDINAVIAN SECURITIES LTD.

AUDITORS' REPORT

To the Shareholders of

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA:

We have examined the consolidated balance sheet of Anglo-Scandinavian Investment Corporation of Canada and its wholly-owned subsidiary, Anglo-Scandinavian Securities Ltd., as at April 30, 1968 and the statements of consolidated earnings, contributed surplus and earned surplus and of source and application of funds for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us, and as shown by the books of the companies, these financial statements are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the companies as at April 30, 1968 and the results of their operations and the source and application of their funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
May 24, 1968.

CLARKSON, GORDON & CO.,
Chartered Accountants.

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

(Incorporated under the laws of Quebec)

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

CONSOLIDATED BALANCE SHEET AS AT APRIL 30, 1968

(with comparative figures at April 30, 1967)

1967	ASSETS	1968
	Current:	
\$ 363,155	Cash - - - - -	\$ 36,311
	Short-term note, at cost - - - - -	217,063
364,012	Trading securities, at average cost (approximate market value \$167,000; 1967 — \$345,500) (see schedule A) - -	200,590
21,225	Accrued interest and dividends receivable - - - - -	13,201
<u>748,392</u>	TOTAL CURRENT ASSETS - - - - -	<u>467,165</u>
	Investments, at average cost (approximate market value \$20,711,600; 1967 — \$20,020,600) (see schedule B):	
58,138	Debenture stock - - - - -	75,148
669,630	Preferred shares - - - - -	903,484
<u>16,922,344</u>	Common shares - - - - -	<u>17,850,342</u>
<u>17,650,112</u>	TOTAL INVESTMENTS - - - - -	<u>18,828,974</u>
<u>\$18,398,504</u>		<u>\$19,296,139</u>
	LIABILITIES	
	Current:	
\$ 12,425	Bank loans (secured by a pledge of securities) - - - - -	\$ 669,800
140,122	Accounts payable and accrued charges - - - - -	15,570
34,375	Payable upon receipt of securities purchased - - - - -	65,387
4,525	Dividend payable on preferred shares - - - - -	34,375
<u>191,447</u>	Income taxes payable - - - - -	<u>10,118</u>
	TOTAL CURRENT LIABILITIES - - - - -	<u>795,250</u>
	Shareholders' equity:	
	Capital —	
	Authorized:	
	200,000 redeemable preferred shares of \$25 par value each, issuable in series	
	2,000,000 common shares of \$5 par value each	
	Issued:	
2,500,000	100,000 5½% cumulative preferred shares Series A, redeemable at premium of 5½% - - - - -	2,500,000
5,397,750	1,079,550 common shares - - - - -	5,397,750
3,945,145	Contributed surplus - - - - -	3,945,145
<u>6,364,162</u>	Earned surplus - - - - -	<u>6,657,994</u>
<u>18,207,057</u>	TOTAL SHAREHOLDERS' EQUITY - - - - -	<u>18,500,889</u>
<u>\$18,398,504</u>		<u>\$19,296,139</u>

On behalf of the Board:

J. IAN CROOKSTON, *Director*

NORMAN D'ARCY, *Director*

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

STATEMENTS OF CONSOLIDATED EARNINGS, CONTRIBUTED SURPLUS AND EARNED SURPLUS FOR THE YEAR ENDED APRIL 30, 1968

(with comparative figures for 1967)

<u>1967</u>	STATEMENT OF CONSOLIDATED EARNINGS	<u>1968</u>
	INCOME:	
\$ 723,243	Dividends - - - - -	\$ 727,271
27,827	Interest - - - - -	30,216
6,574	Profit on security trading - - - - -	24,836
<u>757,644</u>		<u>782,323</u>
	EXPENSE:	
76,065	Management fees - - - - -	78,200
11,172	Interest - - - - -	7,925
11,918	Directors' fees - - - - -	12,000
1,982	Legal and audit - - - - -	2,319
7,200	Executive remuneration - - - - -	7,200
7,079	General - - - - -	6,371
<u>115,416</u>		<u>114,015</u>
642,228	Earnings before income taxes - - - - -	668,308
7,950	Income taxes - - - - -	16,750
<u>\$ 634,278</u>	Net earnings for the year - - - - -	<u>\$ 651,558</u>

STATEMENT OF CONSOLIDATED CONTRIBUTED SURPLUS

\$ 3,176,862	Balance, beginning of year - - - - -	\$ 3,945,145
775,000	Premium received on common shares issued during year - - -	
<u>3,951,862</u>		
6,717	Deduct share issue expenses - - - - -	
<u>\$ 3,945,145</u>	Balance, end of year - - - - -	<u>\$ 3,945,145</u>

STATEMENT OF CONSOLIDATED EARNED SURPLUS

\$ 5,562,829	Balance, beginning of year - - - - -	\$ 6,364,162
	Add:	
634,278	Net earnings for the year - - - - -	651,558
723,876	Net gain realized on investment portfolio changes during the year	211,595
<u>6,920,983</u>		<u>7,227,315</u>
	Deduct dividends declared:	
137,501	Preferred shares (\$1.375 per share) - - - - -	137,501
419,320	Common shares (40 cents per share) - - - - -	431,820
<u>556,821</u>		<u>569,321</u>
<u>\$ 6,364,162</u>	Balance, end of year - - - - -	<u>\$ 6,657,994</u>

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

STATEMENT OF CONSOLIDATED SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED APRIL 30, 1968

(with comparative figures for 1967)

1967	Funds were applied to:	1968
	Increase in investment portfolio —	
	Purchases:	
\$ 17,838	Debenture stock - - - - -	\$ 27,614
408,457	Preferred shares - - - - -	614,462
5,087,394	Common shares - - - - -	3,228,756
<u>5,513,689</u>		<u>3,870,832</u>
	Deduct sales, at average cost:	
15,900	Debenture stock - - - - -	10,604
32,599	Preferred shares - - - - -	380,608
2,193,663	Common shares - - - - -	2,300,758
<u>2,242,162</u>		<u>2,691,970</u>
3,271,527	Net increase in investment portfolio - - - - -	1,178,862
556,821	Payment of dividends - - - - -	569,321
6,717	Payment of share listing expenses - - - - -	
<u>3,835,065</u>	Total funds applied - - - - -	<u>1,748,183</u>
	Funds were provided from:	
634,278	Net earnings for the year - - - - -	651,558
1,275,000	Issuance of common shares - - - - -	
	Net gain realized on investment portfolio	
723,876	changes during the year - - - - -	211,595
<u>2,633,154</u>	Total funds provided - - - - -	<u>863,153</u>
\$ 1,201,911	Excess of funds applied over funds provided resulting in a decrease in working capital of - - - - -	\$ 885,030
\$ 1,758,856	Working capital, beginning of year - - - - -	\$ 556,945
556,945	Working capital (deficiency), end of year - - - - -	(328,085)
<u>\$ 1,201,911</u>	Decrease in working capital - - - - -	<u>\$ 885,030</u>

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SCHEDULE A

SCHEDULE OF TRADING SECURITIES

(HELD BY ANGLO-SCANDINAVIAN SECURITIES LTD.)

APRIL 30, 1968

<u>Number of Shares</u>		<u>Approximate Market Value</u>
COMMON SHARES		
800	Alloys Unlimited, Inc. - - - - -	\$ 38,900
400	Dynasty Explorations Limited - - - - -	3,100
300	Magma Copper Company - - - - -	20,700
200	Metro-Goldwyn-Mayer - - - - -	10,300
800	Nytronics, Inc. - - - - -	40,100
400	Placer Development Ltd. - - - - -	11,900
2,000	Power Corporation of Canada, Limited - - - - -	15,000
600	United Air Lines, Inc. - - - - -	27,000
	Total trading securities - - - - -	<u>\$ 167,000</u>



ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SCHEDULE B

SCHEDULE OF INVESTMENTS

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1968

<i>Par value</i>		<i>Approximate Market Value</i>
	DEBENTURE STOCK	
	The White Pass and Yukon Corporation Limited —	
\$20,000	4½% first debenture stock due 1968-76 - - - - -	\$ 14,700
41,200	5% debenture stock due 1968-76 - - - - -	30,300
34,100	5½% unsecured loan stock due 1968-78 - - - - -	25,100
	Total debenture stock - - - - -	<u>70,100</u>
	PREFERRED SHARES	
	Convertible	
2,500	Canadian Pacific Investments Limited—4¾% Series A shares, \$20 par value	55,600
2,500	Hudson's Bay Oil and Gas Company Limited — 5% Series A shares, \$50 par value - - - - -	138,800
3,000	International Utilities Corporation—\$1.32 U.S. dividend shares, no par value	136,100
19,000	John Labatt Limited — \$1.00 dividend Series A shares, \$18 par value - -	408,500
3,000	Shell Investments Limited — 5½% first preference shares, \$20 par value -	87,800
	Total convertible preferred shares - - - - -	<u>826,800</u>
	Other	
25,400	Canadian Pacific Railway Company — 4% stock units of \$15 each - - -	234,900
308	Candiac Development Corporation — 5% shares, \$100 par value - - -	30,800*
	Total other preferred shares - - - - -	<u>265,700</u>
	Total preferred shares - - - - -	<u>1,092,500</u>
	COMMON SHARES	
	Consumer goods and services	
10,925	The Bell Telephone Company of Canada - - - - -	467,000
8,000	Calgary Power Ltd. - - - - -	184,000
3,500	Canada and Dominion Sugar Company Limited - - - - -	91,000
5,000	Canadian Breweries Limited - - - - -	37,500
16,000	Distillers Corporation — Seagrams Limited - - - - -	704,000
3,000	International Utilities Corporation - - - - -	137,200
12,000	John Labatt Limited - - - - -	207,000
6,000	MacLaren Power & Paper Company, Class A - - - - -	87,000
3,000	The Oshawawa Wholesale Limited, Class "A" - - - - -	98,300
	Total consumer goods and services - - - - -	<u>2,013,000</u>
	Financial institutions	
10,000	Bank of Montreal - - - - -	125,000
13,200	Betrust Investment Corporation Ltd. - - - - -	293,700
6,000	Canadian General Securities Limited — Class "A" - - - - -	42,700
10	Hardwicke Investment Corporation Ltd. - - - - -	500
200	Noctin Investment Corporation Ltd. - - - - -	1,900
15,000	The Royal Bank of Canada - - - - -	247,500
50	Wentworth Investment Corporation Ltd.- - - - -	500
	Total financial institutions - - - - -	<u>711,800</u>

Forward —

ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA

AND ITS WHOLLY-OWNED SUBSIDIARY

ANGLO-SCANDINAVIAN SECURITIES LTD.

SCHEDULE B

SCHEDULE OF INVESTMENTS

(HELD BY ANGLO-SCANDINAVIAN INVESTMENT CORPORATION OF CANADA)

APRIL 30, 1968

Forward —

<i>Number of Shares</i>		<i>Approximate Market Value</i>
Manufacturing industries		
8,000	C.A.E. Industries Ltd. - - - - -	\$ 62,000
546	Candiac Development Corporation - - - - -	4,100*
546	Candiac Nurseries Ltd. - - - - -	600*
2,000	Redhill Investment Corporation Ltd. - - - - -	10,000
	Total manufacturing industries - - - - -	<u>76,700</u>
Natural resources		
10,000	Alcan Aluminium Limited - - - - -	246,300
10,000	Asbestos Corporation Limited - - - - -	193,700
2,500	The British American Oil Company Limited - - - - -	100,000
20,000	Cassiar Asbestos Corporation Limited - - - - -	315,000
13,000	Cominco Ltd. - - - - -	290,900
20,400	Falconbridge Nickel Mines Limited - - - - -	2,182,800
2,000	Getty Oil Company - - - - -	217,600
4,000	Great Plains Development Company of Canada, Ltd. - - - - -	65,000
3,000	Home Oil Company Limited - - - - -	69,800
6,600	Hudson Bay Mining & Smelting Co., Limited - - - - -	382,800
7,100	Imperial Oil Limited - - - - -	458,800
10,000	Interprovincial Pipe Line Company - - - - -	193,700
3,000	Kerr-Addison Gold Mines Limited - - - - -	46,500
19,000	MacMillan, Bloedel Limited - - - - -	408,500
95,514	McIntyre Porcupine Mines Limited - - - - -	8,309,700
3,000	Magma Copper Company - - - - -	206,700
3,000	Noranda Mines Limited - - - - -	141,000
6,000	Panhandle Eastern Pipe Line - - - - -	209,500
5,000	Pembina Pipe Line Ltd. - - - - -	83,100
2,000	Pine Point Mines Limited - - - - -	82,000
19,800	Placer Development Ltd. - - - - -	589,000
35,217	Powell River — Alberni Sales Limited - - - - -	614,100*
3,000	Royal Dutch Petroleum Company - - - - -	148,800
8,000	Texas Eastern Transmission Corporation - - - - -	211,400
	Total natural resources - - - - -	<u>15,766,700</u>
Transportation		
10,000	Canadian Pacific Railway Company - - - - -	515,000
13,500	The White Pass and Yukon Corporation Limited - - - - -	465,800
	Total transportation - - - - -	<u>980,800</u>
	Total common shares - - - - -	<u>19,549,000</u>
	TOTAL INVESTMENTS - - - - -	<u>\$20,711,600</u>

*Unquoted securities — shown at cost.

